

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION

UNITED STATES OF AMERICA

v.

MARK MAZZARE, M.D.

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NO: 6:24CR 125

FACTUAL BASIS

I, the defendant, Mark Mazzare, M.D., committed the conduct described in Count One of the Information, which charges a violation of 18 U.S.C. § 371, conspiracy to defraud the United States and to purchase, sell, and distribute Medicare beneficiary identification numbers. I am pleading guilty in this case because I am in fact guilty of the violation alleged. I have had an opportunity to consult with an attorney, and I am satisfied with the advice and counsel I have received. I am pleading guilty because I believe it is in my own strategic best interest based on all the facts known to me, which I have shared with my attorney. I have reviewed the offense statute and the elements of that offense with my attorney; I agree that each element is satisfied in this case. I further agree that the following factual basis is true and correct:

1. From in or around November 2022, and continuing through in or around June 2023, I owned and operated Mazzare Medical PLLC (“Mazzare Medical”) and Vigilant Healthcare Solutions PLLC (“Vigilant”).

2. Mazzare Medical, Vigilant, and myself, in a personal capacity, were enrolled as Medicare providers during this time.

3. By enrolling as Medicare providers, I, through Mazzare Medical and Vigilant, certified that I would abide by certain federal laws and Medicare regulations, including I would not submit false or fraudulent claims for payment and that I would abide by the Federal Anti-Kickback Statute.

4. I, through Mazzare Medical, and Brian Cotugno (“Cotugno”), through Marketing Company 1, entered into a sham agreement on or about January 19, 2023, where Marketing Company 1, would purportedly generate “lead packages” for Mazzare Medical, when in reality, I purchased Medicare Beneficiary Identification numbers (“MBIs”) from Cotugno.

5. These “lead packages” consisted of a beneficiary’s MBI and an audio recording that purported to be the voice of the beneficiary requesting over-the-counter COVID-19 tests.

6. The “lead packages” sold by Cotugno to me contained fraudulently generated audio recordings. These beneficiaries had not requested that COVID-19 test kits be sent to them.

7. I paid Marketing Company 1 approximately \$926,000 in exchange for MBIs, and other information, for thousands of Medicare beneficiaries throughout the United States.

8. I caused over-the-counter COVID-19 tests to be shipped to those Medicare beneficiaries whose MBIs had been purchased, regardless of whether the Medicare beneficiaries had requested the tests.

9. From in or around November 2022 to in or around June 2023, I caused Mazzare Medical to submit more than \$5.5 million in false and fraudulent claims to Medicare for over-the-counter COVID-19 tests that were medically unnecessary and ineligible for reimbursement. Medicare paid approximately \$3.44 million on those claims.

10. In order to achieve this end, I committed the following acts:

- i. On or about November 14, 2022, effective on or about January 19, 2023, Marketing Company 1 and Mazzare Medical entered into a Business Process Outsourcing (“BPO”) agreement. Per the BPO agreement, “the goal of the Specialty Marketing Program shall be to generate Raw Leads for Mazzare Medical PLLC,” though the price per raw lead was indicated as “TBD.”
- ii. On or about January 26, 2023, I emailed Billing Company 1 personnel and asked, “Do you think it is likely Medicare will audit me because of the increased billing?”
- iii. On or about January 31, 2023, and continuing on or about February 1, 2023, I and Cotugno exchanged text messages about payment in exchange for MBIs. I texted Cotugno that I “still owe[d] for 500 or [\$]27500 [MBIs] to cover the firs[t] 2000 correct?” and confirmed Cotugno would “cover” costs for the remaining 2,719 MBIs until “after I get paid by Medicare.” Cotugno responded, “I have no problem front loading the deals for you.” I replied, “Thanks so much for working with me. I want to get to the 6k/ week asap.”

- iv. On or about February 18, 2023, I requested additional MBIs from Cotugno and I attempted to negotiate a price lower than \$55 per MBI, asking, “[a]t some point does the price per patient [g]o down less than \$55?”. Cotugno replied, “[s]orry Doc. It’s already up to \$63. You got in before it went up. Already operating at a minimum on your account.”
- v. On or about February 18, 2023, I asked Cotugno if billing 7,000 to 10,000 MBIs is “too much per np” and Cotugno told me that medical clinics are the least likely to be audited, as compared to pharmacies that have more “oversite” [sic].
- vi. On or about February 18, 2023, I and Cotugno discussed claims being denied “due to billing by another provider.” I asked Cotugno, “Will I get in trouble[?]” and “Is this an issue with consents?” Cotugno told me that had “been happening more often now that everyone is in full hustle towards the finish line.”
- vii. On or about February 24, 2023, I and Cotugno exchanged the following text messages where I stated that I “can do \$100k” and thanking Cotugno for his “patients,” “[a]nd patience.” I also expressed I “want[ed] to get to our target of 10k/week and be able to give you the 550k/week to process it. Are we on track?”
- viii. On or about February 24, 2023, I sent or caused to be sent a wire payment to Marketing Company 1 in the amount of \$100,000 in

exchange for MBIs. The instructions on the wire sent or caused to be sent by me indicated “MEDICAL SUPPLIES.”

- ix. On or about April 16, 2023, I sent an e-mail to Billing Company 1, and others, with an attachment consisting of 18 pictures of returned over-the-counter COVID-19 tests. Some of the labels were marked “REFUSED,” “RETURN TO SENDER,” “NOT AT THIS ADDRESS,” or had the Medicare beneficiaries’ addresses crossed out.

I hereby stipulate that these facts are true and correct. I accept these facts as the uncontested facts of this case. I acknowledge that my conduct as described above constitutes a violation of the charged offense.


I stipulate and agree that I am personally responsible for a loss to Medicare in an amount of \$3,444,750.96, which represents the loss resulting from the offense alleged in Count One of the Information and relevant conduct; I agree that the court should order forfeiture in this amount and order me to pay restitution in this amount to the victim of my conduct.

(Continued on the next page.)

Dated: 12/2/2024

MARK MAZZARE, M.D.
Defendant

I am counsel for the defendant. I have reviewed this Factual Basis with the defendant. Based on these discussions, I am satisfied that he understands the terms and effect of the Factual Basis and that he signed it voluntarily.

Dated: 12/02/2024

LOUIS LEICHTER
Attorney for Defendant